



Legislative Bulletin.....October 26, 2005

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Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: 0

Total Cost of Discretionary Authorizations: \$0

Effect on Revenue: \$500,000 decrease in one year

Total Change in Mandatory Spending: \$0

Total New State & Local Government Mandates: 0

Total New Private Sector Mandates: 1

Number of Bills Without Committee Reports: 4

Number of Reported Bills that Don't Cite Specific Clauses of Constitutional Authority: 0

**H.R. 3945 — Hurricane Katrina Financial Services Relief Act of 2005
— as introduced (Baker)**

Order of Business: The bill is scheduled for consideration on Wednesday, October 26, 2005, under a motion to suspend the rules and pass the bill.

Summary: H.R. 3945 lists several findings, including:

- “On August 29, 2005, Hurricane Katrina, a category 4 storm with an impact area of 90,000 square miles, reached landfall devastating the States of Louisiana, Mississippi and Alabama, causing loss of life and property.
- “Levee breaches in the flood control system for the city of New Orleans as a result of Hurricane Katrina resulted in tragic flooding, causing additional loss of life and property.
- “Due to the substantial damage to both property and infrastructure, more than 1,000,000 people were made homeless or brought under financial duress by the effects of Hurricane Katrina.
- “A least 120 insured depository institutions and 96 insured credit unions are located in the areas of Louisiana, Mississippi and Alabama, declared as major disaster areas by the President.”

Regarding the cashing of government checks, H.R. 3945 expresses a sense of Congress that:

- “it is vital that insured depository institutions and insured credit unions continue to provide financial services to consumers displaced or otherwise affected by Hurricane Katrina, which includes the cashing of Federal government assistance and benefit checks;
- “the Secretary of the Treasury and the Federal financial regulators should seek to educate insured depository institutions and insured credit unions on the proper application of the guidance issued by the Secretary on cashing of Federal government assistance and benefit checks and published in the Federal Register; and
- “the Federal financial regulators should continue to work with the insured depository institutions and insured credit unions operating under extraordinary circumstances to facilitate the cashing of Federal government assistance and benefit checks.”

H.R. 3945 directs a federal reserve bank to waive or rebate any transaction fee for wire transfer services that otherwise would be imposed on any insured depository institution or insured credit union that, as of August 28, 2005, was headquartered in a qualified disaster area. Additionally, the legislation authorizes federal banking agencies and the National Credit Union Administration, under certain circumstances, to 1) subtract from its total assets, in calculating compliance with the applicable leverage limit, an amount not exceeding the qualifying amount attributable to insurance proceeds and to 2) refrain from taking any action with respect to any undercapitalized insured depository institution or undercapitalized insured credit union not significantly or critically undercapitalized if the entity:

- derives more than 50 percent of its total deposits from persons who normally reside within, or whose principal place of business is normally within, a qualified disaster area;
- was adequately capitalized as of August 28, 2005;
- suffered loss or reduction in capital or net worth as a direct result of Hurricane Katrina;
- refrains from the action and that forbearance would either “facilitate the recovery of the insured depository institution or insured credit union from the disaster in accordance with a recovery plan or a capital or net worth restoration plan established

by such depository institution or credit union [or] would be consistent with safe and sound practices.”

H.R. 3945 states that the Act’s provisions, except for the 18 month provisions, will not apply after the end of a 180-day (six month) period beginning on the date of enactment. Additionally, the bill provides for one additional 30-day period extension for federal reserve bank waiver for wire transfer services.

Committee Action: H.R. 3945 was introduced on September 29, 2005, and referred to the Committee on Financial Services, which took no official action.

Cost to Taxpayers: There is no CBO cost estimate available for H.R. 3945. According to the House Budget Committee, the bill reduces revenue by less than \$500,000 due to lower transfers of the annual Fed surplus to the Treasury. The bill does not affect direct spending.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

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S. 172 — A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of all contact lenses as medical devices, and for other purposes (Sen. DeWine)

Order of Business: The bill is scheduled for consideration on Wednesday, October 26, 2005, under a motion to suspend the rules and pass the bill.

An almost identical bill, H.R. 2218, passed the House during the 108th Congress by a voice vote on November 19, 2003. This bill, and a companion House bill in the 109th Congress (H.R. 371), were both introduced by Rep. Boozman.

Summary: S. 172 would amend the Federal Food, Drug, and Cosmetic Act to regulate all contact lenses as medical devices, stating that all contact lenses “shall be deemed to be devices under section 201(h).” As such, the FDA will be able to regulate contact lenses.

According to Senate Committee Report [109-110](#), “most contact lenses currently marketed in the United States, including certain plano and decorative contact lenses, have been cleared as medical devices... for dispensing pursuant to the lawful prescriptions of eye care professionals. However, some non-corrective, decorative contact lenses have not been approved by FDA and are sold without a prescription. The FDA regulates these non-corrective contact lenses under its cosmetic authority in Chapter VI of the FFDCA. These contact lenses present a public health threat.” Thus, the FDA currently deems most

decorative, non-corrective contact lenses as cosmetics, and this change would bring all contact lenses, regardless of type, under FDA regulation as medical devices.

The committee report further states that the change is necessary “to ensure that all contact lenses are properly manufactured and used only with the appropriate involvement of a qualified eye care professional while avoiding any complex legal or policy issues.”

Committee Action: S. 172 was introduced in the Senate on January 26, 2005, and referred to the Senate Committee on Committee on Health, Education, Labor, and Pensions. The bill was passed by the Senate by a voice vote on July 29, 2005. The bill was referred to the House Committee on Energy and Commerce, which took no official action.

Cost to Taxpayers: According to CBO, “based on information from FDA, CBO expects that the additional cost for FDA to regulate decorative contact lenses as medical devices beyond its cost to regulate such products as cosmetics under current law would be negligible. Assuming the availability of appropriated amounts, CBO estimates that implementing S. 172 would cost FDA less than \$500,000 annually.

“Based on information provided by the FTC, CBO estimates that implementing S. 172 would not have a significant impact on spending subject to appropriation for [the Federal Trade Commission]. The legislation would not affect direct spending. There would be potential for higher revenues through penalties imposed by FDA and the FTC for violations of Federal laws under their respective jurisdictions related to contact lenses. Such collections of civil penalties are recorded in the budget as revenues. However, based on information provided by the agencies, CBO expects that revenues from any penalties collected as a result of enacting S. 172 would be negligible.”

Does the Bill Expand the Size and Scope of the Federal Government?: Yes. As described above, the bill expands the authority of the FDA and FTC to regulate contact lenses and levy fines for non-compliance.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: According to CBO, “S. 172 *contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA)* and would impose no costs on state, local, or tribal governments. However, *the bill would impose private-sector mandates on sellers, prescribers and manufacturers of decorative non-corrective lenses* by making them subject to more stringent federal regulatory requirements for medical devices. CBO estimates that the direct costs of the mandates in the bill would not exceed the threshold established in UMRA (\$123 million in 2005, adjusted annually for inflation) in any of the first 5 years the mandate would be effective. (*emphasis added*).

In addition, since the bill would now require decorative lenses be available only by prescription and the oversight of a qualified eye care professional to ensure proper fitting and use, CBO anticipates that S. 172 “will result in a slight increase in cost to the public.”

Constitutional Authority: A committee report citing constitutional authority is unavailable.

House Rule XIII, Section 3(d)(1), requires that all committee reports contain “a statement citing the *specific* powers granted to Congress in the Constitution to enact the law proposed by the bill or joint resolution.” *[emphasis added]*

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H.R. 2967— To designate the Federal building located at 333 Mt. Elliott Street in Detroit, Michigan, as the “Rosa Parks Federal Building” — *as introduced (Kilpatrick)*

Order of Business: The bill is scheduled for consideration on Wednesday, October 26, 2005, under a motion to suspend the rules and pass the bill.

Summary: H.R. 2967 designates the Federal building located at 333 Mt. Elliott Street in Detroit, Michigan, as the “Rosa Parks Federal Building”.

Additional Information: On December 1, 1955, Rosa Louise Parks’ refusal to give up her bus seat to a white man and her subsequent arrest began the modern-day Civil Rights Movement in the United States. That day, Rosa Louise Parks was arrested for refusing to give up her seat in the colored section of the bus to a white man on the orders of the bus driver because the white section was full. The arrest of Rosa Louise Parks led African Americans and others to boycott the Montgomery city bus line until the buses in Montgomery were desegregated, a boycott that lasted 381 days. On November 13, 1956, the United States Supreme Court affirmed a district court decision that held that Montgomery segregation codes deny and deprive African Americans of the equal protection of the laws.

Rosa Louise Parks moved to Detroit, Michigan, in 1957, and continued her civil rights work, worked in the office of Rep. John Conyers, Jr. for 23 years, and starting the Rosa and Raymond Parks Institute for Self Development, a nonprofit group that motivates youth to reach their highest potential. She was the Martin Luther King, Jr., Nonviolent Peace Prize in 1980, the Presidential Medal of Freedom in 1996, and the Congressional Gold Medal in 1999. At the age of 92, Parks died of natural causes on Monday, October 24, 2005.

For more information on Rosa Parks, please visit:
<http://www.achievement.org/autodoc/page/par0bio-1>.

Committee Action: H.R. 2967 was introduced on June 17, 2005, and referred to the House Committee on Transportation and Infrastructure, which took no official action.

Cost to Taxpayers: Although there is no CBO cost estimate available for H.R. 2967, the only costs typically associated with the renaming of a federal building are those for sign and map changes, none of which significantly affect the federal budget.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

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S. 1713—Iran Nonproliferation Amendments Act (Sen. Lugar)—*as amended*

Order of Business: The amended bill is scheduled to be considered on Wednesday, October 25th, under a motion to suspend the rules and pass the bill.

Summary (as amended by the House International Relations Committee prior to House floor consideration): S. 1713 would amend the Iran Nonproliferation Act of 2000 (Public Law 106-178; 50 U.S.C. 1701 note) to exempt certain U.S. Government cash or in-kind payments (related to the International Space Station) from the prohibition on payments to Russia. Under the Iran Nonproliferation Act, the U.S. is prohibited from making certain payments to the Russian Aviation and Space Agency, unless the President has made determinations that Russia has not provided, and is helping thwart the proliferation of, nuclear technology to Iran during the applicable fiscal year.

S. 1713 would also direct the President to report to Congress each Russian entity or person to whom the U.S. makes a cash or in-kind payment after the enactment of this legislation. This report would have to include the purpose of each payment and an assessment that each payment is not prejudicial to preventing the proliferation of ballistic or cruise missile systems to Iran and other countries that have supported acts of international terrorism.

The amended version of S. 1713 would amend the Iran Nonproliferation Act of 2000 (including the changes made by S. 1713) to make such Act apply in its entirety to both Iran **and Syria**. Certain definitions would also be tightened to ensure the applicability of the Act to more potential proliferation violators.

Additional Background: The Iran Nonproliferation Act currently requires the President to report to Congress on any foreign country, corporation, or individual that has transferred sensitive nuclear, chemical, biological, or missile technology, goods, or services to Iran. The President has to impose sanctions against those responsible for the transfers or report the reasons for not doing so. The Act makes payments to Russian entities for certain goods or services related to the International Space Station contingent upon presidential determinations that Russia is complying with the nonproliferation policies outlined in the Act. (The amended version of S. 1713 would make the Act applicable to Syria as well.)

According to CRS Report RS22072, NASA will become dependent on Russia for certain International Space Station (currently under construction in orbit) crew-related services beginning in April 2006, for which NASA must pay.

Committee Action: On September 15, 2005, the bill was referred to the Senate Foreign Relations Committee, which discharged it by unanimous consent six days later. The full Senate passed S. 1713 by unanimous consent on September 21, 2005, and sent it to the House, where it is being held at the desk. The version now under consideration on the House floor is a complete substitute amendment.

Cost to Taxpayers: A CBO cost estimate is unavailable. Making the reporting requirements in current law apply to Syria as well may increase costs at the State Department, though that is unclear. The bill would not authorize any new NASA funds—just payments related to the International Space Station from NASA’s existing funds.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

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**H.Res. 368—Congratulating the State of Israel on the election of
Ambassador Dan Gillerman as Vice-President of the 60th United Nations
General Assembly (*Schiff*)**

Order of Business: The resolution is scheduled to be considered on Wednesday, October 26th, under a motion to suspend the rules and pass the bill.

Summary: H.Res. 368 would resolve that the House:

- “congratulates Ambassador Dan Gillerman, Israel’s Permanent Representative to the United Nations, and the Government and people of the State of Israel on Israel’s election as Vice-President of the 60th General Assembly of the United Nations;
- “welcomes the nomination by the Western European and Others Group (WEOG) of Israel for the position of Vice-President of the 60th United Nations General Assembly;
- “welcomes the election by the United Nations General Assembly of Israel as Vice-President of the 60th General Assembly;
- “supports continued expansion of Israel’s role at the United Nations;
- “notes with concern that Israel remains the object of extreme vilification by many members of the United Nations;
- “further notes that Israel remains excluded from the Asian regional grouping within the organization; and
- “calls upon United Nations Secretary-General Kofi Annan to work to end the vilification of Israel at the United Nations and to use his good offices to support Israel’s bid to join the Asian regional grouping.”

Additional Background: Prior to 2000, Israel was the only member of the United Nations to be excluded from a United Nations regional grouping, thereby preventing Israel from being nominated as a vice-president of the UN's General Assembly. The General Assembly is presided over by a president and 21 vice-presidents (nominated by the General Assembly's five regional groupings).

In 2000, Israel was accepted as a temporary member of the Western European and Others Group (WEOG), which includes the United States, Australia, Canada, New Zealand, and the countries of Western Europe. Israel's temporary membership in WEOG was extended in 2004.

On April 21, 2005, WEOG nominated Israel as a candidate for vice-president of the 60th General Assembly, and on June 13, 2005, the General Assembly elected Ambassador Dan Gillerman, Israel's Permanent Representative to the United Nations, to the General Assembly.

Committee Action: On October 7, 2005, the International Relations Committee marked up and ordered the resolution reported to the full House by unanimous consent.

Cost to Taxpayers: The resolution would authorize no expenditure.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

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